



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110

C FSC

March 24, 2004

MEMORANDUM FOR THE U.S. ARMY COMMUNITY AND FAMILY SUPPORT
CENTER (MS. SHIRLEY LOVGREN), 4700 KING STREET,
ALEXANDRIA, VA 22301-4405

SUBJECT: In-Kind Consideration for Morale, Welfare, and Recreation (MWR) Public
Private Venture (PPV) Projects

Reference your memorandum dated October 28, 2003 (enclosure), requesting approval to accept the services and facilities provided through PPVs as "in-kind" consideration in lieu of collection of an annual lease payment from the PPV partner.

Payment of "in-kind" consideration for all or part of the consideration due under the lease is authorized pursuant to 10 U.S.C. 2667, paragraphs (b)(4) and (5) and (c)(1). Subject to the conditions set forth herein, USACFSC is authorized to accept appropriate "in-kind" consideration in lieu of annual lease payments for qualifying PPV projects.

- a. The Corps of Engineers or other qualified entity will determine the FMV of the property being outleased and the value of the in-kind consideration to ensure the Army is receiving no less than FMV.
- b. The services being provided must fall into the listing of MWR activities as found in AR-215-1, Chapter 4, figure 4-1, or be approved by ASA(M&RA) as an authorized MWR activity.
- c. Calculations of the lease value cannot include utility services, which may not be offset by in-kind consideration.
- d. Reports are made to Congress, in accordance with 2667(c)(4), which requires notice to Congress prior to lease execution where the in-kind consideration exceeds \$500,000.
- e. Reports are made to Congress, in accordance with 2662, for real property transactions exceeding \$750K.

In the future, all PPV project proposals for which in-kind consideration is contemplated should explicitly state that intention and address the foregoing conditions.

My point of contact for these actions is Bill Birney, Assistant for Real Property. He can be reached at (703) 695-0867.

Joseph W. Whitaker
Deputy Assistant Secretary of the Army
(Installations and Housing)
OASA(I&E)

Enclosure

w/o encl